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DATE: November 1, 2006  
TO: Commissioner for Patents  
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FACSIMILE NO.: (571) 273-8300  
FROM: Margaret A. Pruitt for Paul S. Madan,  
Reg. No. 33,011  
REFERENCE: Serial No.: 10/758,309  
Atty. Docket No. 564-12835-USCQ  
Deposit Account: 02-0429(564-12835-USCQ)  
NUMBER OF PAGES INCLUDING THIS COVER SHEET: 13

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Enclosed are the following documents for filing:

1. Response to the Non-Final Office Action mailed August 1, 2006.

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Margaret A. Pruitt

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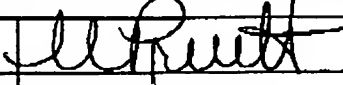
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<b>TRANSMITTAL FORM</b>  (to be used for all correspondence after initial filing)	Application Number	10/758,309	
	Filing Date	January 15, 2004	
	First Named Inventor	Volker Krueger	
	Art Unit	3672	
	Examiner Name	Thomas S. Bomar	
Total Number of Pages in This Submission	13	Attorney Docket Number	564-12835-USCQ

ENCLOSURES (Check all that apply)		
<input type="checkbox"/> Fee Transmittal Form <input type="checkbox"/> Fee Attached <input checked="" type="checkbox"/> Amendment/Reply <input type="checkbox"/> After Final <input type="checkbox"/> Affidavits/declaration(s) <input type="checkbox"/> Extension of Time Request <input type="checkbox"/> Express Abandonment Request <input type="checkbox"/> Information Disclosure Statement  <input type="checkbox"/> Certified Copy of Priority Document(s) <input type="checkbox"/> Reply to Missing Parts/ Incomplete Application <input type="checkbox"/> Reply to Missing Parts under 37 CFR 1.52 or 1.53	<input type="checkbox"/> Drawing(s) <input type="checkbox"/> Licensing-related Papers  <input type="checkbox"/> Petition <input type="checkbox"/> Petition to Convert to a Provisional Application <input type="checkbox"/> Power of Attorney, Revocation Change of Correspondence Address <input type="checkbox"/> Terminal Disclaimer <input type="checkbox"/> Request for Refund <input type="checkbox"/> CD, Number of CD(s) _____ <input type="checkbox"/> Landscape Table on CD	<input type="checkbox"/> After Allowance Communication to TC <input type="checkbox"/> Appeal Communication to Board of Appeals and Interferences <input type="checkbox"/> Appeal Communication to TC (Appeal Notice, Brief, Reply Brief) <input type="checkbox"/> Proprietary Information <input type="checkbox"/> Status Letter <input checked="" type="checkbox"/> Other Enclosure(s) (please identify below):  1. Applicant submits a Response to the Non-Final Office Action mailed August 1, 2006.
<b>Remarks</b>  The Commissioner is authorized to charge any underpayment or credit any overpayment to:  Deposit Account No. 02-0429 (564-12835-USCQ).		

SIGNATURE OF APPLICANT, ATTORNEY, OR AGENT			
Firm Name	Madan, Mossman & Sriram P.C.		
Signature			
Printed name	Paul S. Madan		
Date	November 1, 2006	Reg. No.	33,011

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Signature	
Typed or printed name	Margaret A. Pruitt
Date	November 1, 2006

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Margaret A. Pruitt**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE**

IN RE APPLICATION OF:

Volker Krueger

Serial No: 10/758,309

Filed: January 15, 2004

Title: Self-Controlled Directional  
Drilling Systems and Methods§  
§  
§  
§  
§  
§  
§

Docket No: 564-12835-USCQ

Art Unit: 3672

Examiner: Thomas S. Bomar

Confirmation No.: 5364

**RESPONSE TO THE NON-FINAL OFFICE ACTION MAILED AUGUST 1, 2006**

This paper is a response to the Non-Final Office Action mailed August 1, 2006. No new matter has been added by amendment. Reconsideration of the application as amended below is respectfully requested.

Amendments to the Claims begin on page 2.

Remarks begin on page 7.

The Conclusion begins on page 11.